

Qwest Corporation

 Impacts of Depreciation Waiver
 Assuming 1/1/05 Implementation

ATTACHMENT 2.B.1
TABLE B-1 - BALANCE SHEET ACCOUNTS
 (Dollars in thousands)

			Total Company	
			ARMIS (Reported)	MR to GAAP Adjustments
			ARMIS (Post Waiver)	
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
1220	Inventories	77,193		
1500	Other jurisdictional assets-net	142,850		
Row/ Acct. No.	Account Title (aa)	Ending Balance (af)	Ending Balance (af)	Ending Balance (af)
2001	Telecommunications plant in service (TPIS)	43,066,456		
2002	Property held for future telecom. use (PHFTU)	0		
2003	Telecommunications plant under construction (TPUC)	107,034		
2005	Telecommunications plant adjustment	0		
2006	Nonoperating plant	5,944		
2007	Goodwill	0		
210	Total Plant	43,179,434		
TPIS - General Support				
2111	Land	100,674		
2112	Motor vehicles	371,554		
2113	Aircraft	1,875		
2114	Tools and other work equipment	294,521		
2121	Buildings	2,784,408		
2122	Furniture	4,294		
2123	Office equipment	65,660		
2124	General purpose computers	1,424,541		
2110	Land and Support Assets	5,047,528		
TPIS - Central Office				
2211	Non-digital switching	0		
2212.1	Circuit switching	7,241,474		
2212.2	Packet switching	227,496		
2212	Digital electronic switching	7,468,970		
2210	Central Office-Switching	7,468,970		
2220	Operator Systems	18,790		
2231	Radio systems	233,668		
2232.1	Electronic circuit	10,583,363		
2232.2	Optical circuit	0		
2232	Circuit equipment	10,583,363		
2230	Central Office-Transmission	10,817,031		
TPIS - Information Origination/Termination				
2311	Station apparatus	35,985		
2321	Customer premises wiring	0		
2341	Large private branch exchanges	25		
2351	Public telephone terminal equipment	0		
2362	Other terminal equipment	408,520		
2310	Information Origination/Termination	444,531		
TPIS - Cable & Wire				
2411	Poles	261,604		
2421	Aerial cable	1,344,880		
2422	Underground cable	3,461,019		
2423	Buried cable	10,574,847		
2424	Submarine and deep sea cable	11,691		
2426	Intrabuilding network cable	389,176		
2431	Aerial wire	43,544		
2441	Conduit systems	2,281,996		
2410	Cable and Wire Facilities	18,368,757		
240	Total TPIS (before amortizable assets)	42,165,606		
TPIS - Amortizable Assets				
2681	Capital leases	34,815		
2682	Leasehold improvements	57,488		
2680	Amortizable Tangible Assets	92,302		
2690.1	Network software	163,388		

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Qwest Corporation

Impacts of Depreciation Waiver
Assuming 1/1/05 Implementation

			Total Company	
			MR to GAAP Adjustments	ARMIS (Post Waiver)
			ARMIS (Reported)	
2690.2	General purpose computer software	645,160		
2690	Intangibles	808,548		
260	Total TPIS	43,066,456		
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
3100	Accumulated depreciation	27,115,733		
3200	Accumulated depreciation - PHFTU	0		
3300	Accumulated depreciation - nonoperating	161		
3410	Accumulated amortization - capitalized leases	14,313		
340	Total Depreciation and Amortization	27,130,207		
350	Net Plant	16,049,227		
360	Total Assets	19,771,737		
4340	Net noncurrent deferred operating income taxes	2,486,396		
4341	Net deferred tax liability adjustments	-121,377		
4350	Net noncurrent deferred nonoperating income taxes	13,759		
4361	Deferred tax regulatory adjustment - net	121,377		
4370	Other jurisdictional liabilities/deferred credits-net	-33,717		
Stockholders' Equity				
4550	Retained earnings	-6,619,587		
450	Total Liabilities and Stockholders' Equity	19,771,739		

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Qwest Corporation

Impacts of Depreciation Waiver
Assuming 1/1/05 Implementation

ATTACHMENT 2.B.1

Impacts of Depreciation Waiver

Assuming 1/1/05 Implementation

ARMIS
(Reported)

Total Company
MR to GAAP
Adjustments

ARMIS
(Post Waiver)

TABLE I-1 - INCOME STATEMENT ACCOUNTS
(Dollars in thousands)

Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
7300	Nonoperating income and expense			
7400	Nonoperating taxes			
7500	Interest and related items			
7600	Extraordinary items			
7910	Income effects of jurisdictional ratemaking differences-net			
7990	Nonregulated net income			
790	Net income			

TABLE B-5 - ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION (Dollars in thousands)				
Row No.	Description (a)	Ending Balance (i)	Ending Balance (i)	Ending Balance (i)
100	Motor vehicles	261,157		
110	Aircraft	848		
120	Tools and other work equipment	84,174		
150	Buildings	803,305		
160	Furniture	2,775		
180	Office equipment	58,522		
200	General purpose computers	1,391,103		
210	Total Support Assets	2,601,884		
220	Non-digital switching	-39,191		
235	Digital electronic switching - circuit	4,115,975		
237	Digital electronic switching - packet	92,644		
270	Total Central Office Switching	4,169,428		
280	Operator systems	10,874		
290	Radio systems	206,304		
305	Circuit equipment - electronic	7,720,645		
307	Circuit equipment - optical	0		
320	Total Central Office-Transmission	7,926,949		
330	Station apparatus	15,615		
340	Customer premises wiring	0		
350	Large private branch exchanges	-1,379		
360	Public telephone terminal equipment	0		
370	Other terminal equipment	240,023		
380	Total Information Origination/Termination	254,259		
390	Poles	327,327		
400	Aerial cable	1,055,327		
410	Underground cable	2,405,632		
420	Buried cable	7,213,890		
430	Submarine & deep sea cable	8,524		
450	Intrabuilding network cable	336,420		
460	Aerial wire	70,762		
470	Conduit systems	734,457		
480	Total Cable and Wire Facilities	12,152,339		
490	Total Accumulated Depreciation	27,115,733		

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ARMIS MR to GAAP Adjustments	ARMIS (Pre-Waiver)
ARMIS (Post Waiver)	

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Impacts of Depreciation Waiver Assuming 1/1/05 Implementation		ARMIS (Pre-Waiver)		Colorado		MR to GAAP		ARMIS (Post-Waiver)	
2680	Amortizable Tangible Assets	33,754							
2690.1	Network software	33,088							
2690.2	General purpose computer software	115,284							
2690	Intangibles	148,372							
260	Total TIPS	8,193,830							
Row/ Accl. No.	Account Title	Amount	(b)	Amount	(b)	Amount	(b)	Amount	(b)
3100	Accumulated depreciation	4,679,026							
3200	Accumulated depreciation - PHFTU	0							
3300	Accumulated depreciation - nonoperating	0							
3410	Accumulated amortization - capitalized leases	5,429							
340	Total Depreciation and Amortization	4,884,455							
350	Net Plant	3,328,929							
360	Total Assets	5,951,727							
4340	Net noncurrent deferred operating income	587,548							
	taxes								
4341	Net deferred tax liability adjustments	-38,690							
4350	Net noncurrent deferred nonoperating income	11,851							
	taxes								
4361	Deferred tax regulatory adjustment - net	38,690							
4370	Other jurisdictional liabilities/deferred credits-	123,596							
	net								
Stockholders' Equity									
4550	Retained earnings	3,045,261							
Total Liabilities and Stockholders' Equity		5,951,727							

Qwest Corporation

Impacts of Depreciation Waiver
Assuming 1/1/05 Implementation

	Colorado
ARMIS (Pre-Waiver)	MR to GAAP Adjustments
	ARMIS (Post Waiver)

TABLE I-1 - INCOME STATEMENT ACCOUNTS
(Dollars in thousands)

Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
7300	Nonoperating income and expense			
7400	Nonoperating taxes			
7500	Interest and related items			
7600	Extraordinary items			
7910	Income effects of jurisdictional ratemaking differences-net			
7990	Nonregulated net income			
790	Net Income			

TABLE B-5 - ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
(Dollars in thousands)

Row No.	Description (a)	Ending Balance (i)	Ending Balance (i)	Ending Balance (i)
100	Motor vehicles	60,032		
110	Aircraft	848		
120	Tools and other work equipment	18,176		
150	Buildings	191,214		
160	Furniture	182		
180	Office equipment	14,821		
200	General purpose computers	603,407		
210	Total Support Assets	888,680		
220	Non-digital switching	3,710		
235	Digital electronic switching - circuit	561,983		
237	Digital electronic switching - packet	14,707		
270	Total Central Office Switching	572,980		
280	Operator systems	1,443		
290	Radio systems	32,001		
305	Circuit equipment - electronic	1,368,399		
307	Circuit equipment - optical	0		
320	Total Central Office-Transmission	1,400,400		
330	Station apparatus	718		
340	Customer premises wiring	0		
350	Large private branch exchanges	-1,404		
360	Public telephone terminal equipment	0		
370	Other terminal equipment	31,071		
380	Total Information Origination/Termination	30,383		
390	Poles	38,765		
400	Aerial cable	176,381		
410	Underground cable	447,754		
420	Buried cable	1,111,228		
430	Submarine & deep sea cable	62		
450	Intrabuilding network cable	68,912		
460	Aerial wire	22,575		
470	Conduit systems	119,463		
480	Total Cable and Wire Facilities	1,985,140		
490	Total Accumulated Depreciation	4,879,026		

Qwest Corporation

Impacts of Depreciation Waiver

Assuming 1/1/05 Implementation

			Idaho	
			ARMIS (Pre-Waiver)	ARMIS (Post Waiver)
TABLE B-1 - BALANCE SHEET ACCOUNTS (Dollars in thousands)			MR to GAAP Adjustments	
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
1220	Inventories	941		
1500	Other jurisdictional assets-net	-35,037		
Row/ Acct. No.	Account Title (aa)	Ending Balance (af)	Ending Balance (af)	Ending Balance (af)
2001	Telecommunications plant in service (TPIS)	1,279,731		
2002	Property held for future telecom. use (PHFTU)	0		
2003	Telecommunications plant under construction (TPUC)	1,554		
2005	Telecommunications plant adjustment	0		
2006	Nonoperating plant	31		
2007	Goodwill	0		
210	Total Plant	1,281,316		
TPIS - General Support				
2111	Land	1,367		
2112	Motor vehicles	10,884		
2113	Aircraft	0		
2114	Tools and other work equipment	6,034		
2121	Buildings	47,421		
2122	Furniture	30		
2123	Office equipment	758		
2124	General purpose computers	12,967		
2110	Land and Support Assets	79,461		
TPIS - Central Office				
2211	Non-digital switching	0		
2212.1	Circuit switching	212,325		
2212.2	Packet switching	10,799		
2212	Digital electronic switching	223,124		
2210	Central Office-Switching	223,124		
2220	Operator Systems	7		
2231	Radio systems	7,862		
2232.1	Electronic circuit	306,442		
2232.2	Optical circuit	0		
2232	Circuit equipment	306,442		
2230	Central Office-Transmission	314,304		
TPIS - Information Origination/Termination				
2311	Station apparatus	0		
2321	Customer premises wiring	0		
2341	Large private branch exchanges	0		
2351	Public telephone terminal equipment	0		
2362	Other terminal equipment	8,352		
2310	Information Origination/Termination	8,352		
TPIS - Cable & Wire				
2411	Poles	5,829		
2421	Aerial cable	29,253		
2422	Underground cable	82,934		
2423	Buried cable	442,267		
2424	Submarine and deep sea cable	174		
2426	Intrabuilding network cable	7,464		
2431	Aerial wire	824		
2441	Conduit systems	48,344		
2410	Cable and Wire Facilities	617,089		

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Qwest Corporation

Impacts of Depreciation Waiver

Assuming 1/1/05 Implementation

			Idaho	
			MR to GAAP Adjustments	ARMIS (Post Waiver)
240	Total TPIS (before amortizable assets)	1,242,337		
TPIS - Amortizable Assets				
2681	Capital leases	5,449		
2682	Leasehold Improvements	3,853		
2680	Amortizable Tangible Assets	9,302		
2690.1	Network software	8,599		
2690.2	General purpose computer software	19,493		
2690	Intangibles	28,092		
260	Total TPIS	1,279,731		
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
3100	Accumulated depreciation	835,188		
3200	Accumulated depreciation - PHFTU	0		
3300	Accumulated depreciation - nonoperating	0		
3410	Accumulated amortization - capitalized leases	3,172		
340	Total Depreciation and Amortization	838,360		
350	Net Plant	442,956		
360	Total Assets	1,235,031		
4340	Net noncurrent deferred operating income taxes	51,206		
4341	Net deferred tax liability adjustments	-8,034		
4350	Net noncurrent deferred nonoperating income taxes	-2		
4361	Deferred tax regulatory adjustment - net	8,034		
4370	Other jurisdictional liabilities/deferred credits-net	-9,316		
Stockholders' Equity				
4550	Retained earnings	799,018		
450	Total Liabilities and Stockholders' Equity	1,235,031		

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ATTACHMENT 2.B.3

Qwest Corporation

Impacts of Depreciation Waiver

Assuming 1/1/05 Implementation

Idaho

ARMIS
(Pre-Waiver)MR to GAAP
AdjustmentsARMIS
(Post Waiver)TABLE I-1 - INCOME STATEMENT ACCOUNTS
(Dollars in thousands)

Row/ Accl. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
7300	Nonoperating income and expense			
7400	Nonoperating taxes			
7500	Interest and related items			
7600	Extraordinary items			
7910	Income effects of jurisdictional ratemaking differences-net			
7990	Nonregulated net income			
790	Net Income			

TABLE B-5 - ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
(Dollars in thousands)

Row No.	Description (a)	Ending Balance (i)	Ending Balance (i)	Ending Balance (i)
100	Motor vehicles	8,842		
110	Aircraft	0		
120	Tools and other work equipment	1,696		
150	Buildings	15,473		
160	Furniture	31		
180	Office equipment	754		
200	General purpose computers	11,657		
210	Total Support Assets	38,453		
220	Non-digital switching	310		
235	Digital electronic switching - circuit	110,997		
237	Digital electronic switching - packet	6,007		
270	Total Central Office Switching	117,314		
280	Operator systems	7		
290	Radio systems	6,876		
305	Circuit equipment - electronic	244,535		
307	Circuit equipment - optical	0		
320	Total Central Office-Transmission	251,411		
330	Station apparatus	-336		
340	Customer premises wiring	0		
350	Large private branch exchanges	0		
360	Public telephone terminal equipment	0		
370	Other terminal equipment	6,354		
380	Total Information Origination/Termination	6,018		
390	Poles	9,720		
400	Aerial cable	19,062		
410	Underground cable	61,451		
420	Buried cable	307,298		
430	Submarine & deep sea cable	143		
450	Intrabuilding network cable	5,766		
460	Aerial wire	1,406		
470	Conduit systems	17,139		
480	Total Cable and Wire Facilities	421,985		
490	Total Accumulated Depreciation	835,188		

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ATTACHMENT 2.B.4

Qwest Corporation

Impacts of Depreciation Waiver
Assuming 1/1/05 Implementation

			North Dakota	
			ARMIS (Pre-Waiver)	ARMIS (Post Waiver)
TABLE B-1 - BALANCE SHEET ACCOUNTS (Dollars in thousands)			MR to GAAP Adjustments	
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
1220	Inventories	153		
1500	Other jurisdictional assets-net	-27,231		
Row/ Acct. No.	Account Title (aa)	Ending Balance (af)	Ending Balance (af)	Ending Balance (af)
2001	Telecommunications plant in service (TPIS)	550,532		
2002	Property held for future telecom. use (PHFTU)	0		
2003	Telecommunications plant under construction (TPUC)	721		
2005	Telecommunications plant adjustment	0		
2006	Nonoperating plant	301		
2007	Goodwill	0		
210	Total Plant	551,554		
TPIS - General Support				
2111	Land	1,905		
2112	Motor vehicles	3,531		
2113	Aircraft	0		
2114	Tools and other work equipment	4,498		
2121	Buildings	38,890		
2122	Furniture	0		
2123	Office equipment	250		
2124	General purpose computers	5,849		
2110	Land and Support Assets	54,923		
TPIS - Central Office				
2211	Non-digital switching	0		
2212.1	Circuit switching	108,286		
2212.2	Packet switching	3,004		
2212	Digital electronic switching	111,290		
2210	Central Office-Switching	111,290		
2220	Operator Systems	58		
2231	Radio systems	494		
2232.1	Electronic circuit	119,790		
2232.2	Optical circuit	0		
2232	Circuit equipment	119,790		
2230	Central Office-Transmission	120,284		
TPIS - Information Origination/Termination				
2311	Station apparatus	0		
2321	Customer premises wiring	0		
2341	Large private branch exchanges	0		
2351	Public telephone terminal equipment	0		
2362	Other terminal equipment	5,010		
2310	Information Origination/Termination	5,010		
TPIS - Cable & Wire				
2411	Poles	1,635		
2421	Aerial cable	7,929		
2422	Underground cable	32,341		
2423	Buried cable	180,741		
2424	Submarine and deep sea cable	65		
2426	Intrabuilding network cable	6,389		
2431	Aerial wire	7		
2441	Conduit systems	18,126		
2410	Cable and Wire Facilities	247,233		

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ATTACHMENT 2.B.4

Qwest Corporation

Impacts of Depreciation Waiver

Assuming 1/1/05 Implementation

			North Dakota	
			MR to GAAP Adjustments	ARMIS (Post Waiver)
240	Total TPIS (before amortizable assets)	538,798		
TPIS - Amortizable Assets				
2681	Capital leases	0		
2682	Leasehold Improvements	84		
2680	Amortizable Tangible Assets	84		
2690.1	Network software	2,925		
2690.2	General purpose computer software	8,725		
2690	Intangibles	11,650		
260	Total TPIS	550,532		
Row/ Acct. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
3100	Accumulated depreciation	411,702		
3200	Accumulated depreciation - PHFTU	0		
3300	Accumulated depreciation - nonoperating	0		
3410	Accumulated amortization - capitalized leases	0		
340	Total Depreciation and Amortization	411,702		
350	Net Plant	139,852		
360	Total Assets	441,639		
4340	Net noncurrent deferred operating income taxes	9,839		
4341	Net deferred tax liability adjustments	3,827		
4350	Net noncurrent deferred nonoperating income taxes	260		
4361	Deferred tax regulatory adjustment - net	-3,827		
4370	Other jurisdictional liabilities/deferred credits-net	-11,267		
Stockholders' Equity				
4550	Retained earnings	333,698		
450	Total Liabilities and Stockholders' Equity	441,639		

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Qwest Corporation
Impacts of Depreciation Waiver
Assuming 1/1/05 Implementation

North Dakota

ARMIS
(Pre-Waiver)MR to GAAP
AdjustmentsARMIS
(Post Waiver)

TABLE I-1 - INCOME STATEMENT ACCOUNTS
(Dollars in thousands)

Row/ Accl. No.	Account Title (a)	Amount (b)	Amount (b)	Amount (b)
7300	Nonoperating income and expense			
7400	Nonoperating taxes			
7500	Interest and related items			
7600	Extraordinary items			
7910	Income effects of jurisdictional ratemaking differences-net			
7990	Nonregulated net income			
790	Net Income			

TABLE B-5 - ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION
(Dollars in thousands)

Row No.	Description (a)	Ending Balance (i)	Ending Balance (i)	Ending Balance (i)
100	Motor vehicles	2,838		
110	Aircraft	0		
120	Tools and other work equipment	1,939		
150	Buildings	13,365		
160	Furniture	0		
180	Office equipment	225		
200	General purpose computers	5,607		
210	Total Support Assets	23,974		
220	Non-digital switching	-1,060		
235	Digital electronic switching - circuit	79,839		
237	Digital electronic switching - packet	1,703		
270	Total Central Office Switching	80,482		
280	Operator systems	-49		
290	Radio systems	693		
305	Circuit equipment - electronic	102,067		
307	Circuit equipment - optical	0		
320	Total Central Office-Transmission	102,760		
330	Station apparatus	-3		
340	Customer premises wiring	0		
350	Large private branch exchanges	0		
360	Public telephone terminal equipment	0		
370	Other terminal equipment	4,108		
380	Total Information Origination/Termination	4,105		
390	Poles	2,700		
400	Aerial cable	8,846		
410	Underground cable	30,216		
420	Buried cable	143,421		
430	Submarine & deep sea cable	60		
450	Intrabuilding network cable	5,954		
460	Aerial wire	24		
470	Conduit systems	9,209		
480	Total Cable and Wire Facilities	200,430		
490	Total Accumulated Depreciation	411,702		

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TAP/GL ONLINES DETAIL REPORT

ATTACHMENT 3.1

FR Only
(Actual Entry)

Description of LIS Trunking: LIS (Local Interconnection Service) provides dedicated trunk service between a CLEC and either a Qwest end office or local tandem. The scope of the impairment analysis was working trunks dedicated to providing LIS. The dedicated investment was predominantly switching. Impairment was determined based on the projected net incremental revenue stream (LIS revenue less associated expense) over the life of the dedicated PP&E investment.

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LIS Trunking Infrastructure Investment (\$)

	1997 LIS Additions	1998 LIS Additions	1999 LIS Additions	2000 LIS Additions (Thru 6/28/00)	Total LIS Trunks in Service	Net Book Value
ARIZONA						
COLORADO						
IOWA						
IDAHO						
MINNESOTA						
MONTANA						
NORTH DAKOTA						
NEBRASKA						
NEW MEXICO						
OREGON						
SOUTH DAKOTA						
UTAH						
WASHINGTON						
WYOMING						
Total						

Determination of Average Age of Investment

% of Total
Age (Years)
Weighting

Average Age of LIS Trunking Investment (Years)

Determination of Investment Distribution & Amortization Period

	% of Investment	Portion of Invest
Digital Switch		
Fiber		

Impairment Amortization Period

Depreciable Life - Dig Sw
Ave Age of LIS Invest

Amortization Period (Years)

Annual Amortization Amount (\$)

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TAPIGL ONLINES DETAIL REPORT

MR Entry
(example)

Allocation of LIS Trunking Impairment to State
Based on Remaining Impairment Balance as of 12/31/2004
(Impairment booked to Digital Switch Account 2212.1)

	2000 LIS Investment NBV	12/31/2004 Remaining Impairment Balance	Allocation of 12/31/2004 Impairment Balance to State
ARIZONA			
COLORADO			
IOWA			
IDAHO			
MINNESOTA			
MONTANA			
NORTH DAKOTA			
NEBRASKA			
NEW MEXICO			
OREGON			
SOUTH DAKOTA			
UTAH			
WASHINGTON			
WYOMING			
Total			(1)

Calculation of Remaining Impairment

Original Impairment	
Amortization	
2000	
2001	
2002	
2003	
2004	
Total	
Remaining Impairment	(1)

ATTACHMENT 3.5

TAP/GL ONLINES DETAIL REPORT

FR Only
(example)

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Depreciation Rate Parameter Detail for PMA Account											
MR - Current Parameters											
Projection	Average	Book	Future Net	Depreciation	Curve Shape Parameters	Life	Remaining Life	Average	Book	Future Net	Depreciation
Rate	Salvage %	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
d	c	b	a	d	a=(100-c-d)b	s	p	s	p	s	p
PR - Estimated Post-Warrior											
Projection	Average	Book	Future Net	Depreciation	Curve Shape Parameters	Life	Remaining Life	Average	Book	Future Net	Depreciation
Rate	Salvage %	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
d	c	b	a	d	a=(100-c-d)b	s	p	s	p	s	p
North Dakota											
Projection	Average	Book	Future Net	Depreciation	Curve Shape Parameters	Life	Remaining Life	Average	Book	Future Net	Depreciation
Rate	Salvage %	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
d	c	b	a	d	a=(100-c-d)b	s	p	s	p	s	p
Idaho - South											
Projection	Average	Book	Future Net	Depreciation	Curve Shape Parameters	Life	Remaining Life	Average	Book	Future Net	Depreciation
Rate	Salvage %	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
d	c	b	a	d	a=(100-c-d)b	s	p	s	p	s	p
Idaho - North											
Projection	Average	Book	Future Net	Depreciation	Curve Shape Parameters	Life	Remaining Life	Average	Book	Future Net	Depreciation
Rate	Salvage %	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
d	c	b	a	d	a=(100-c-d)b	s	p	s	p	s	p
For depreciation rate input purposes, only the Idaho - South rate is used because the west minority (80%) of the total Idaho rate investment used in the rate calculation is Idaho - South											

ATTACHMENT H



Qwest
607 14th Street, NW, Suite 950
Washington, DC 20005
Phone 303-383-6608
Facsimile 303-896-1107

Timothy M. Boucher
Corporate Counsel

REDACTED - FOR PUBLIC INSPECTION

Via Courier

EX PARTE

May 30, 2007

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *In the Matter of Petition of Qwest Corporation for Waiver of Depreciation
Regulation Pursuant to 47 C.F.R. § 1.3 – WC Docket No. 05-259
Request for Confidential Treatment*

Dear Ms. Dortch:

Qwest Corporation ("Qwest") requests confidential treatment of certain information contained in the attached letter and attachments (hereafter referred to as "Letter") filed in the above-captioned waiver proceeding in response to questions from Federal Communications Commission ("Commission") staff. The Letter with confidential information (that is, the non-redacted version) has been marked "**CONFIDENTIAL – NOT FOR PUBLIC INSPECTION**". Qwest requests that the non-redacted, confidential version of this Letter be withheld from public inspection.

Qwest considers certain information contained in the Letter pertaining to detailed data associated with GAAP depreciation and differences between GAAP depreciation and regulated depreciation data to be confidential. This information is confidential financial information that is "not routinely available for public inspection." As such, Qwest requests confidential treatment of this information and is submitting a non-redacted version of the Letter pursuant to both FCC rules 47 C.F.R. §§ 0.457(d) and 0.459. Pursuant to Commission rule, 47 C.F.R. § 0.459(b), Qwest provides justification for the confidential treatment of this information in the Appendix to this letter.

Qwest is simultaneously submitting, under separate cover, the redacted version of the Letter, which is marked "**REDACTED - FOR PUBLIC INSPECTION**", the confidential information has been omitted. Both the redacted and non-redacted versions of this Letter are being served on Staff of the Commission's Wireline Competition Bureau as indicated below.

Ms. Marlene H. Dortch
May 30, 2007
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REDACTED - FOR PUBLIC INSPECTION

Included with both the non-redacted and redacted submission is the same copy of the cover letter from Phil Grate to Marlene Dortch, dated May 30, 2007, which contains *no* confidential information. As well, included with the non-redacted submission are the non-redacted responses to the questions of the Staff and the non-redacted Attachments A through C; included with the redacted submission are the redacted responses to the questions and the redacted Attachments. For the non-redacted version, Qwest is submitting an original and one copy, along with a second copy to be stamped and returned to the courier. For the redacted version, Qwest is submitting an original and four copies, along with a fifth copy to be stamped and returned to the courier.

If you have any questions concerning this submission, please call me on 303-383-6608.

Sincerely,

/s/ Timothy M. Boucher

Attachment

Copy (via e-mail) to:

Thomas Navin (thomas.navin@fcc.gov)
Don Stockdale (donald.stockdale@fcc.gov)
Jay Atkinson (jay.atkinson@fcc.gov)
Al Lewis (albert.lewis@fcc.gov)
Deena Shetler (deena.shetler@fcc.gov)
Amy Bender (amy.bender@fcc.gov)

APPENDIX

Confidentiality Justification

Qwest requests confidential treatment of certain information provided in the attached Letter filed in response to questions from Federal Communications Commission ("Commission") staff because this information is confidential financial information that is not routinely made available for public inspection. Such information should be afforded confidential treatment under both 47 C.F.R. § 0.457(d) and § 0.459.

47 C.F.R. § 0.457(d)

Information contained in the Letter is confidential and proprietary to Qwest as "commercial or financial information" under Section 0.457(d). Disclosure of such information to the public would risk revealing company-sensitive proprietary financial information. Therefore, in the normal course of Commission practice this information should be considered "Records not routinely available for public inspection."

47 C.F.R. § 0.459

Specific information in the Letter is also subject to protection under 47 C.F.R. § 0.459, as demonstrated below.

Information for which confidential treatment is sought

Qwest requests that the information contained in the Letter be treated on a confidential basis under Exemption 4 of the Freedom of Information Act. This information is competitively sensitive financial information which Qwest maintains as confidential and is not normally made available to the public. Release of the information could have a substantial negative competitive impact on Qwest. The confidential information is contained in the non-redacted version of Qwest's Letter, which is marked with the following legend: **CONFIDENTIAL – NOT FOR PUBLIC INSPECTION**.

Commission proceeding in which the information was submitted

The information is being submitted *In the Matter of Petition of Qwest Corporation for Waiver of Depreciation Regulation Pursuant to 47 C.F.R. § 1.3* – WC Docket No. 05-259.

Degree to which the information in question is commercial or financial, or contains a trade secret or is privileged

The financial information designated as confidential is commercial and financial information in the form of detailed data associated with GAAP depreciation and differences between GAAP

Ms. Marlene H. Dortch

May 30, 2007

Page 4

REDACTED - FOR PUBLIC INSPECTION

and regulated depreciation data. As noted above, the data is commercially and financially-sensitive information which is not normally released to the public as such release could have a substantial negative competitive impact on Qwest.

Degree to which the information concerns a service that is subject to competition; and manner in which disclosure of the information could result in substantial competitive harm

The type of competitively sensitive financial information in the Letter would generally not be subject to routine public inspection under the Commission's rules (47 C.F.R. § 0.457(d)), which demonstrates that the Commission already anticipates that the release of this kind of information likely would produce competitive harm. Qwest confirms that release of its confidential and proprietary information would cause it competitive harm by allowing its competitors to become aware of sensitive proprietary financial information regarding the operation of Qwest's business.

Measures taken by Qwest to prevent unauthorized disclosure; and availability of the information to the public and extent of any previous disclosure of the information to third parties

Qwest has treated and treats the information disclosed in its non-redacted *ex parte* as confidential and has protected it from public disclosure to parties outside of the company.

Justification of the period during which Qwest asserts that the material should not be available for public disclosure

Qwest cannot determine at this time any date on which this information should not be considered confidential or would become stale for purposes of the current inquiry, except that the information would be handled in conformity with general Qwest records retention policies, absent any continuing legal hold on the data.

Other information that Qwest believes may be useful in assessing whether its request for confidentiality should be granted

Under applicable Commission and court rulings, the information in question should be withheld from public disclosure. Exemption 4 of the Freedom of Information Act shields information that is (1) commercial or financial in nature; (2) obtained from a person outside government; and (3) privileged or confidential. The information in question satisfies this test.



Qwest
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Philip E. Grate
Director - State and Federal Relations

REDACTED - FOR PUBLIC INSPECTION

EX PARTE

May 30, 2007

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *In the Matter of Petition of Qwest Corporation for Waiver of Depreciation
Regulation Pursuant to 47 C.F.R. § 1.3 – WC Docket No. 05-259*

Dear Ms. Dortch:

On July 22, 2005 Qwest Corporation ("Qwest") filed a petition seeking waiver of the Federal Communication Commission's ("Commission") depreciation prescription process in accordance with the waiver requirements the Commission established in the *USTA Depreciation Order*.¹ On November 17, 2006, Melissa Newman and Phil Grate, in person, and Timothy Boucher, Betty Knapp and Glenda Weibel, by telephone, all of Qwest, and Jim Hannon, by phone, representing Qwest, met with Don Stockdale, Al Lewis, Deena Shetler, Jay Atkinson and Amy Bender of the Wireline Competition Bureau ("Bureau") regarding the above captioned proceeding.

Subsequently, Ms. Deena Shetler sent an e-mail message to Ms. Melissa Newman that contained five questions that Ms. Shetler stated the Bureau would like to discuss at Qwest's next meeting with the Bureau regarding the waiver petition. Since that time, Qwest filed revised depreciation rates, retroactive to January 1, 2006, with the Commission in order to address some of the concerns raised in Ms. Shetler's email. In anticipation of Qwest's next meeting with the Commission to discuss Qwest's pending waiver petition, I am providing the attached written responses to Ms. Shetler's five questions.

A grant of Qwest's petition would eliminate unnecessary regulation and serve the public interest for the following reasons:

¹ *In the Matter of 1998 Biennial Regulatory Review - Review of Depreciation Requirements for Incumbent Local Exchange Carriers; United States Telephone Association's Petition for Forbearance from Depreciation Regulation of Price Cap Local Exchange Carriers*, Report and Order in CC Docket No. 98-137, Memorandum Opinion and Order in ASD 98-91, 15 FCC Rcd 242 (1999) ("*USTA Depreciation Order*").

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Ms. Marlene H. Dortch

May 30, 2007

Page 2 of 2

1. If the waiver is effective on February 1, 2007, it will result in a below-the-line write-off of net plant on Qwest's regulatory books.
2. Qwest will fully comply with the conditions for waiver established in the *USTA Depreciation Order*.
3. Qwest reviews and revises its GAAP depreciation rates annually in order to ensure that they continue to reflect changing conditions. With a waiver of the depreciation rules, Qwest's ongoing regulatory depreciation rates and net plant balances will mirror its GAAP rates and accurately reflect current conditions.
4. On an ongoing basis, the depreciation expense and depreciation reserve on Qwest's regulatory books will match the depreciation expense and depreciation reserve on Qwest's external financial reports.
5. There is no need for the Commission to prescribe depreciation rates under price cap regulation since changes in depreciation expense have no effect on regulated interstate rates.
6. Granting the waiver will free Qwest from the burden and expense of preparing unnecessary depreciation rate filings and the Commission from the burden of reviewing them.
7. Waiver will allow Qwest to keep its GAAP and Regulatory net plant balances fully synchronized without additional effort by either Qwest or the Commission.

Sincerely,

/s/ Philip E. Grate

Copy (via e-mail) to:

Thomas Navin (thomas.navin@fcc.gov)

Don Stockdale (dona@d.stockdale@fcc.gov)

Jay Atkinson (jay.atkinson@fcc.gov)

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